

TRADE MARKS ACT 1994

**IN THE MATTER OF
UK TRADE MARK APPLICATION No. 3350961
IN THE NAME OF EXORO DESIGN LIMITED**

**AND IN THE MATTER OF
OPPOSITION No. 415485 THERETO
BY UNDER ARMOUR INC**

**AND IN THE MATTER OF
AN APPEAL TO THE APPOINTED PERSON
BY THE APPLICANT
AGAINST A DECISION OF MS CLARE BOUCHER
DATED 29 JUNE 2020**

DECISION

1. On 27 July 2020, Exoro Design Limited (“the Appellant”) filed on Form TM55P Notice of appeal to the Appointed Person under Section 76 of the Trade Marks Act 1994 against a decision of Ms Clare Boucher, acting for the Registrar, dated 29 June 2020, BL O/339/20, in which she refused Application number 3350961 in the name of the Appellant under Section 5(3) of the Act following an opposition brought by Under Armour Inc (“the Respondent”) under number 415485.
2. On 19 August 2020, the Respondent filed a Respondent’s Notice under Rule 71 of the Trade Marks Rules 2008, headed: “In the High Court, Chancery Division, in an appeal from the UK IPO”.
3. The Respondent’s accompanying email, dated 20 August 2020, addressed to the Appointed Person Appeals Secretariat at tribunalappeals@ipo.gov.uk, stated:

“We will be requesting that the case be referred to the High Court by the deadline of **27 August 2020** and will confirm with you when this has been done for your records. The heading of the Respondent’s Notice reflects this transfer. We do not therefore require the Appointed Person to set a hearing date ...”
4. As well as upholding Ms Boucher’s refusal of Application number 3350961 under Section 5(3) of the Act, the Respondent’s Notice sought to challenge by way of

“cross-appeal” Ms Boucher’s rejection of opposition number 415485 under Section 5(2)(b) of the Act.

Statutory provisions

Referral

5. Section 76(3) of the Act provides that:

“(3) Where an appeal is made to an appointed person, he may refer the appeal to the court if-

- (a) it appears to him that a point of general legal importance is involved,
- (b) the registrar requests that it be so referred, or
- (c) such a request is made by any party to the proceedings before the registrar in which the decision appealed against was made.

Before doing so the appointed person shall give the appellant and any other party to the appeal an opportunity to make representations as to whether the appeal should be referred to the court.”

6. Under Rule 72 of the Rules:

72.—(1) Within 28 days of the date on which the notice of appeal is sent to the respondent by the registrar under rule 71(4);

[...]

(b) any person who was a party to the proceedings in which the decision appealed against was made, may request that the person appointed refer the appeal to the court.

[...]

(3) A request under paragraph (1)(b) shall be sent to the registrar following which the registrar shall send it to the person appointed and shall send a copy of the request to any other party to the proceedings.

(4) Within 28 days of the date on which a copy of a request is sent by the registrar under paragraph ... (3), the person to whom it is sent may make representations as to whether the appeal should be referred to the court ...”

Respondent’s notice

7. Under Rule 71(4) – (5):

“(4) Where any person other than the appellant was a party to the proceedings before the registrar in which the original decision was made (“the respondent”), the registrar shall send to the respondent a copy of the notice and the statement and the respondent may, within the period of 21 days

beginning with the date on which the notice and statement was sent, file a notice responding to the notice of appeal.

(5) The respondent's notice shall specify any grounds on which the respondent considers the original decision should be maintained where these differ from or are additional to the grounds given by the registrar in the original decision."

Appeal

8. On the other hand, Section 76, and Rule 71(1) – (3) govern the bringing of an appeal against a Registrar's decision:

"s.76. - (1) An appeal lies from any decision of the registrar under this Act, except as otherwise expressly provided by rules.

For this purpose "decision" includes any act of the registrar in exercise of a discretion vested in him by or under this Act.

(2) Any such appeal may be brought either to an appointed person or to the Court.

r.71.—(1) Subject to paragraph (1A), notice of appeal to the person appointed under section 76 shall be filed on Form TM55 which shall include the appellant's grounds of appeal and his case in support of the appeal.

1(A) Where the appeal arises in proceedings between two or more parties, notice of appeal to the person appointed under section 76 shall be filed on Form TM55P, which shall include the appellant's grounds of appeal and his case in support of the appeal.

(2) Forms TM55 or TM55P shall be filed within the period 28 days beginning immediately after the date of the registrar's decision which is the subject of the appeal ('the original decision').

(3) The registrar shall send the notice and the statement to the person appointed."

Directions

9. Following my first set of Directions issued under Rules 62(1)(a) and 73(4) on 24 August 2020:

- 1) The Respondent set out in a letter dated 27 August 2020 five reasons why in the Respondent's submission the case should be referred to the High Court. That request for referral covered the Appellant's appeal and the Respondent's "cross-appeal" (as to which see below).
- 2) In that letter dated 27 August 2020, the Respondent also requested that I reconsider my direction that if the Respondent wished to appeal the Hearing Officer's decision to refuse the opposition under Section 5(2)(b), then the Respondent needed to request from the Registrar late

permission to file that appeal on Form TM55P and pay the appeal fee, since the Respondent's Notice was ineffective for this purpose (*AIRBLUE Trade Mark*, BL O/600/18).

- 3) On 27 August 2020, the Respondent requested from the Registrar on Form TM9R a retrospective extension of time in which to file the Respondent's appeal against Ms Boucher's decision to reject the Respondent's opposition against the Application under Section 5(2)(b) of the Act. The request was accompanied by the Respondent's Notice of appeal to the Appointed Person on Form TM55P, which referred to the reasons for appeal as originally stated in the Respondent's Notice.
 - 4) I was informed by the Registrar on 9 September 2020 that he had granted the extension of time requested by the Respondent on Form TMR9, and the Respondent's appeal on Form TM55P was subsequently admitted into the proceedings.
 - 5) On 15 September 2020, the Appellant filed written submissions in support of the Appellant's position that the appeal should not be referred to the High Court.
 - 6) The Registrar chose not to make any representations on the issue of referral.
10. I issued a second set of Directions under Rules 62(1)(a) and 73(4) dated 5 October 2020, requesting that the parties/Registrar revert to me in writing by 12 October 2020 indicating whether they wished the Respondent's request for referral to be considered at an oral hearing.
 11. Both parties responded that they were content for the Appointed Person to decide the request for referral on the basis of the parties' written submissions and the papers on file and did not require an oral hearing. No request for an oral hearing was received from the Registrar.
 12. I have proceeded carefully to consider the request for referral in that manner, and my decision is as set out below.

Approach

13. The approach of the Appointed Person in relation to requests for referral under Section 76(3) is shown by the decisions in *HENRY SPURWAY'S BILBO BAGGINS Trade Mark*, BL O/096/14 and *GAP 360 Trade Mark*, BL O/025/16 and the cases cited therein.
14. Of relevance is the summary of principles set out by Mr David Kitchin QC (as he then was) sitting as the Appointed Person in *ELIZABETH EMANUEL Trade Mark*, BL O/196/03 at paragraph 10:

“(a) The Appointed Person has a discretion whether or not to refer an appeal to the court ; he has that discretion even if it appears to him that

a point of general legal importance is involved.

(b) The power to refer appeals to the court should be used sparingly, otherwise the clear object of the legislation to provide a relatively inexpensive, quick and final resolution of appeals by a specialist tribunal would be defeated.

(c) It will be very rare to make a reference in circumstances where a point of general legal importance cannot be identified.

(d) The cost and expense to the party not seeking to refer should be taken into account; this is a matter which may be of particular significance in a case where the party in question is an individual or small company or partnership.

(e) Regard must be had to the public interest generally. There is a public interest in having any uncertainty as to the state of the Register resolved as soon as possible. On the other hand there is a public interest in having important points of law decided by the higher courts.”

Respondent’s reasons for referral

15. The Respondent’s reasons for referral to the High Court were:

1) The appeal raised issues of notional and fair use of the word and device mark applied for. It was said that:

“This case is a prime example of how the outcome of a case can depend on notional and fair use – as the logo parts of the mark were held to be more similar than the entire mark (which contained the logo and the word ‘EXORO’). That legal issue should therefore be reviewable by the High Court, particularly given the fact that an appeal to the Appointed Person will mean that there is no further right of appeal.”

2) The appeal raised questions about the precision with which reputation must be pleaded:

“... the Hearing Officer held that reputation for the Respondent was founded on “innovation and high performance” [of clothing]. This was not the manner in which the Respondent put their case on reputation, as the Respondent argued for an even broader reputation. The Respondent says that it was perfectly permissible for the Hearing Officer to make that finding on the evidence before her. The Appellant appears to take the position that only the precise case advanced by the Respondent could be the outcome (i.e. it is binary).”

3) The appeal related to the interplay between acquired distinctiveness and reputation. It was said that:

“The court is the proper forum to consider that in the light of the fact that there is no possibility of appeal from the decision of an Appointed Person.”

- 4) Serious allegations had been made regarding the conduct of the Respondent’s legal team:

“These need to be dealt with in the High Court, given that the issue may take up extra time and therefore lead to extra cost. The Respondent is entitled to seek to have a mechanism by which it should be allowed to recover the extra costs that this appeal will incur. The serious accusation of misleading the tribunal needs to be dealt with by a High Court Judge, considering the professional conduct consequences that may arise from such an allegation.”

- 5) The High Court may need to consider Rule 71(4) – (5) of the Trade Marks Rules 2008, and the proper scope of a respondent’s notice in Appointed Person proceedings:

“As no appeal lies from the Appointed Person, the only way to overturn a decision of an Appointed Person is by way of judicial review ... Therefore, if the Appointed Person rules have taken a wrong turn, these need to be addressed by the High Court. The High Court is also the proper forum to consider an appeal in relation to this issue, in the light of the fact that there appears to be a division in practice between different Appointed Persons.”

Appellant’s reasons against referral

16. The Appellant’s submissions in support of refusing the request for referral to the High Court were as follows (in the Respondent’s order):

- 1) “Notional and fair use” of a trade mark applied for consisting of a logo and a word was a matter of interpretation of decisions on the facts in hand; not a point of legal importance justifying referral. Complexity/difficulty of issues was not *per se* reason for referral:

“In contrast to the High Court, where a specialist judge is not guaranteed, the Appointed Person is a specialist and so the Appointed Person is in many ways more appropriate than the Court to deal with the issues ...”

- 2) The Appointed Person can decide the point whether a Hearing Officer was entitled make findings on the evidence despite neither party asserting them. Other matters transcending mere trade marks on which the Appointed Person has made important decisions are the admissibility of fresh evidence on appeal (*GUCCI Trade Mark*, BL

O/424/14) and the weight to be given to evidence (*CLUB SAIL Trade Mark*, BL O/074/10, *PLYMOUTH LIFE CENTRE Trade Mark*, BL O/236/13).

3) The interplay of enhanced distinctive character/reputation was:

“... a very common issue – parties regularly fall into error in providing evidence which proves one test but not another – and the legal tests for each are well known. As such it is not a difficult issue: the evidence is to be assessed against well established standards and they either measure up or do not – it does not require the intervention of the High Court.”

4) The parties had exchanged correspondence on the Respondent’s fourth reason. The Appellant neither made nor intended to make an allegation of misconduct in the passage of the grounds of appeal identified by the Respondent. The Appellant would remove that passage from the grounds of appeal if required. In any event that was never reason for transfer to the High Court:

“If this was another part of the Respondent’s hope of pressuring the Respondent into conceding its appeal by reason of financial concerns it is misplaced, and underlines why the Appointed Person’s role in overseeing appeals at lower cost is so important.”

5) The Appellant did not believe there was confusion as to the scope of a respondent’s notice. The Respondent was not been prevented from raising any point on appeal that it could have raised elsewhere. The Appellant did not challenge the Respondent’s request on Form TM9R belatedly to file the Respondent’s appeal on Form TM55P, which the Registrar subsequently granted. The Respondent was able to run its appeal in full; the point was academic and not a reason for referral. Were there divergence within the Appointed Person tribunal that could be dealt with internally. The cost of arguing the point would likely outweigh the cost to the Respondent of providing the forms.

17. More generally on the subject of costs, the Appellant submitted:

“... the Respondent has indicated a willingness to cap the cost of High Court proceedings at £15,000. This underlines the far higher financial burdens on parties before the High Court, and this translates to the far higher costs risk to parties. The result on the Appellant is two fold: it will need to shoulder the far higher cost burden for its own costs (remembering that the appellant bears the burden of administration of bundles as well as the generally greater complexity of such proceedings), and it must do so fearing the greater costs of the other side. If it accepts the costs cap offered it risks having to shoulder much of its own cost even if it succeeds, whilst if it does not it faces financial ruin if it loses.

A review of the latest accounts for Exoro Design Limited – which is dormant in the light of the Respondent’s threats of legal action – shows assets of £10, being the share capital in the company. Against that background High Court litigation is simply unthinkable and likely unmanageable.

... None of the issues are of real complexity, and the transfer is likely to negatively affect the ability of the Appellant to run its appeal (if it concludes it still can).”

Discussion

Respondent’s appeal

18. I recently addressed this issue in *ALL-FILL Trade Mark*, BL O/433/20, 9 September 2020.
19. Comparably in *ALL-FILL*, a respondent argued in its respondent’s notice that a different/additional reason for maintaining the Hearing Officer’s decision to invalidate the registration in suit was that the trade mark had been applied for in bad faith. That ground of invalidity had been rejected by the Hearing Officer who instead allowed the invalidation on the basis of prior conflicting unregistered rights. The respondent’s argument therefore sought to challenge the Hearing Officer’s decision on bad faith rather than to maintain his decision on prior conflicting unregistered rights.
20. On the procedural aspect, I observed:

“76. Rule 71(4) – (5) of the Trade Marks Rules 2008 provides:

“(4) Where any person other than the appellant was a party to the proceedings before the registrar in which the original decision was made (“the respondent”), the registrar shall send to the respondent a copy of the notice and the statement and the respondent may, within the period of 21 days beginning with the date on which the notice and statement was sent, file a notice responding to the notice of appeal.

(5) The respondent’s notice shall specify any grounds on which the respondent considers the original decision should be maintained where these differ from or are additional to the grounds given by the registrar in the original decision.”

77. In *AIRBLUE Trade Mark*, BL O/600/18, paragraphs 75 – 80, I held that there was no provision in the Act or the Rules for the filing in a Respondent’s notice of a respondent’s appeal against a decision by a Hearing Officer, in that case, the Hearing Officer’s costs order.

78. Instead, I held that in order to bring its own appeal, a Respondent needed to comply with Section 76(1) – (2) of the Act and Rule 71(1) – (2) of the Rules which provide:

“s.76. - (1) An appeal lies from any decision of the registrar under this Act, except as otherwise expressly provided by rules.

For this purpose “decision” includes any act of the registrar in exercise of a discretion vested in him by or under this Act.

(2) Any such appeal may be brought either to an appointed person or to the court.

r.71.—[...]

1(A) Where the appeal arises in proceedings between two or more parties, notice of appeal to the person appointed under section 76 shall be filed on Form TM55P, which shall include the appellant’s grounds of appeal and his case in support of the appeal.

(2) Forms TM55 or TM55P shall be filed within the period 28 days beginning immediately after the date of the registrar’s decision which is the subject of the appeal (“the original decision”).”

79. I also stressed in *AIRBLUE* the importance in Registry/Appointed Person proceedings of using the prescribed forms by reference to the decisions of Mr Geoffrey Hobbs QC sitting as the Appointed Person in *LEATHER MASTER Trade Mark*, BL O/084/04, paras. 8 – 10 and *BSA BY R2 Trade Mark*, BL O/144/07, paras. 38 – 40, 45 – 48 (see *AIRBLUE*, f/n 4).

80. A respondent’s notice under the Civil Procedure Rules is governed by CPR rule 52.13 and Practice Direction 52C.

81. Although the CPR are not applicable in Registry/Appointed Person proceedings under the 1994 Act and the 2008 Rules, the passages set out below from the judgment of Sir Timothy Lloyd in *Michael Fielding Wolff v. Trinity Logistics USA Inc* [2018] EWCA Civ 2765 are, by parity of reasoning, instructive.

82. In *Trinity Logistics*, the respondent had brought 4x claims against the appellant for: (1) procuring breach of contract; (2) procuring conversion; (3) deceit; and (4) conspiracy. The claim for procuring breach of contract was upheld at first instance but the other claims dismissed. In an appeal by the appellant against the finding against him of procuring a breach of contract, the respondent in a respondent’s notice sought *inter alia* to challenge the dismissal by the judge of the procuring conversion and conspiracy claims.

83. Sir Timothy Lloyd (with whom Newey LJ and Longmore LJ agreed) held as follows (emphasis added):

“85. Mr Knox submits that TUSA is a "respondent who seeks to contend that the order of the court below should be upheld for reasons other than those given by that court", and must therefore serve a Respondent's Notice but does not require permission to appeal,

because it is not appealing against the order. In my judgment, however, where a court has dismissed one or more of the party's claims, but has given judgment in its favour on another, and that party wishes to contend that the court was wrong to dismiss the first claims, that is not a case of merely upholding the judgement on other grounds. Whether or not the terms in which the order is expressed require any variation, I regard the contention by a respondent that the judge was wrong to dismiss one or more distinct claims as something that requires and amounts to an appeal. In this respect TUSA is a "respondent who seeks to appeal against any part of the order made by the court below" within the terms of the practice direction.

[...]

89. Thus, in my judgment, if a claimant asserted two claims against the appellant of which one was successful and the other was dismissed (whether or not so stated in the resulting order) and the defendant appeals against the judgment on the first claim, then if the respondent wishes to argue that the court below was wrong to dismiss its other claim against the appellant and that the order below should be upheld on that basis, that assertion amounts to an appeal against the order, and is not within the category of seeking to contend that the order of the court below should be upheld for reasons other than those given by that court, even if the relief sought would be the same on either claim ..."

84. As identified ... , All Fill UK additionally sought in its Respondent's notice to challenge the Hearing Officer's dismissal of All Fill UK's claim that All Fill US had applied for UK Registration number 3175065 in bad faith contrary to Section 3(6) of the Act.

85. In order to regularize its position, All Fill UK would have needed to make an application to the Registrar on Form TM9R for a retrospective extension of time in which to file on Form TM55P an appeal to the Appointed Person against the Hearing Officer's decision under Section 3(6), and to pay the appeal fee.

86. ... this became academic because I upheld the Hearing Officer's decision to invalidate Registration number 3175065 pursuant to Sections 47(2)(b) and 5(4)(a) of the Act."

21. Accordingly I decline the Respondent's request to revisit my direction in relation to the Respondent's appeal in the present case.
22. Nor do I consider referral appropriate. In no particular order:
 - 1) First, I am unaware of any divergence of practice within the Appointed Person tribunal. None of the Appointed Person decisions referred to me by the Respondent involved consideration of a respondent's notice, either because that was unnecessary, or because no respondent's notice was filed in the case (*HH HOTELS Trade Mark*, BL O/235/20, *LENS*

ME Trade Mark, BL O/029/20, *FWD VIEW Trade Mark*, BL O/332/19).

- 2) Second, the Respondent's appeal in proper form has now been admitted into the proceedings. The Respondent is not prevented from fully pursuing its grounds of appeal against the Hearing Officer's decision to refuse the Respondent's opposition under Section 5(2)(b).
- 3) Third, it seems to me that were there to be a referral the point would fall away. That is because the effect of a referral pursuant to Section 76(3) would be that the whole of the 2x appeals in this case would no longer be appeals to the Appointed Person, but undetermined appeals from the Registrar to the High Court under Section 76(1) of the Act¹. Accordingly, the appeals proceedings would be governed by the Civil Procedure Rules and not the Trade Marks Rules, and my direction as the Appointed Person concerning the operation and effect of Rule 71(1A)/71(4)–(5) of the Trade Marks Rules would appear to become irrelevant or academic².
- 4) Fourth, I draw comfort in my interpretation of Rule 71(1A)/71(4)–(5) of the Trade Marks Rules by parity of reasoning from the decision of the Court of Appeal in *Wolff v. Trinity Logistics* referred to in paragraph 20 above.

Alleged misconduct

23. No reason was given by the Respondent for why it might be preferable for the High Court rather than the Appointed Person to consider such allegations, other than financial benefit to the Respondent.
24. The Appointed Person tribunal is well equipped to and does entertain/determine allegations of behaviour considered to fall below the norm and can and does make financial awards accordingly (see, e.g., *AMARO GAYO COFFEE Trade Mark*, BL O/257/18, *HYBRID Trade Mark*, BL O/308/20, *LOCH NESS TONIC Trade Marks*, BL O/101/20).
25. In any event, the Appellant confirmed that it did not and did not intend to allege misconduct on the part of the Respondent's representatives and is prepared to withdraw the passage complained of from the Appellant's grounds of appeal.
26. I do not consider this matter reason to refer the appeals to the High Court within the meaning of Section 76(3).

¹ Referral under Section 76(3) is an *alternative* not in addition to determination of the appeal under Section 76(4). If the Appointed Person decides to exercise his or her power to refer under Section 76(3), he or she should refrain from determining the appeal under Section 76(4). Referral under Section 76(3) is not akin to a reference for a ruling to the CJEU under Article 267 TFEU.

² On the other hand, within the framework of dealing with appeals from decisions of the Registrar under Section 76, the Appointed Person is obliged to consider the operation and effect of Rule 71(1A)/71(4)–(5) in an appeal brought before him or her under the Rules; any challenge to that consideration being by way of proceedings for judicial review.

Notional and fair use

27. I am conscious of needing to guard against the Respondent's reasons 1 – 3 turning into a rehearsal of the appeals (see f/n 1).
28. The principles (including in a conflict comprising a device versus a word and device) governing the signs to be compared, the visual, aural and conceptual comparisons of those signs, the goods/services to be compared, the comparison of those goods/services and the global assessments of likelihood of confusion/relevant link for the purposes of Section 5(2)(b)/5(3) are well established in the case law.
29. The Appointed Person tribunal is regularly called upon to determine whether these principles were applied correctly in proceedings below, and to apply those principles where error has been shown in any particular case.
30. The Respondent has not in my view identified cogent reason why the High Court and not the Appointed Person should be the proper forum for determining any such issues in the present appeals. Indeed, I have sympathy with the Appellant's observation that to refer in such circumstances would be to deprive the Appointed Person tribunal of meaning and substance.

Enhanced distinctive character and reputation

31. Likewise, the legal principles for proving enhanced distinctive character/reputation are clear. The Respondent gives no reason for referral other than the constitution of the Appointed Person tribunal itself in that decisions of the Appointed Person are final albeit subject to judicial review.

Proving reputation

32. This is a question of weight to be attributed to the arguments and evidence in any particular case. The requirement for reputation is well defined in the case law. The Respondent does not say why the Appointed Person tribunal is not a proper forum for considering these matters.

Financial position of the Appellant

33. It appears to be accepted by both parties that the Appointed Person tribunal is and is intended to be a relatively low cost tribunal.
34. The principles on which costs are awarded by the Appointed Person are as set out by Mr Geoffrey Hobbs QC sitting as the Appointed Person in *AMARO GAYO COFFEE* above.
35. Whilst I am informed by the Appellant that the Respondent has indicated a willingness to cap the cost of High Court proceedings at £15,000, that sum is significantly higher than the costs that would normally be awarded to a successful party in the Appointed Person tribunal.
36. Of further significance could be the need on the part of the Appellant to meet its own likely increased costs of bringing/defending the appeals in the High Court.

37. The Appellant has indicated, and I have no reason not to accept, that it would struggle to meet the costs were the appeals of the Appellant/Respondent to be transferred to the High Court – if it could continue in the proceedings at all.
38. These financial aspects constitute further strong reason in my judgment for the appeals remaining in the Appointed Person tribunal.

Conclusion

39. For the reasons set out above, I refuse the Respondent's request to refer the Appellant's appeal and the Respondent's appeal to the High Court under Section 76(3) of the Act. I shall proceed under Section 76(4) and Rule 73 via the Appointed Person Appeals Secretariat tribunalappeals@ipo.gov.uk to appoint a date and time for the hearing of the appeals forthwith to be notified to the parties.
40. I direct that the issue of the costs of this application be reserved until the substantive hearing.

Professor Ruth Annand, 16 November 2020

The Respondent was represented by Gill Jennings & Every LLP

The Appellant was represented by Blaser Mills LLP